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RYDER SYSTEM REACHES AGREEMENT TO ACQUIRE AVIALL

Aviall Inc., the Dallas-based aviation service company and distributor, will be acquired by Ryder System Inc. under an agreement approved by both boards of directors last Thursday. Ryder said it has agreements to purchase some 3.2 million shares, or 64 percent, of Aviall's outstanding common stock and said stock not purchased under those agreements will be converted in the merger into $25 per share in cash. Aviall was formed in 1981 when two engine overhaul firms--Aviation Power Supply and Cooper Airmotive--were merged *(BA, Dec. 28, 1981/203).* Aviall has 54 worldwide distribution outlets and six regional engine overhaul shops. Aviall repairs and overhauls turbine aircraft engines for commercial and general aviation operators and also is a worldwide distributor of new engines and parts and related aviation components. The company went public in 1984 and reported net income of $8.1 million on $400.5 million in revenue last year. Aviall's stock had ranged in price from $10-$20 over the past year. It rose 3 7/8 on Thursday to close at $23 per share. Ryder System Inc. is the parent of a group of service companies that had revenues of $2.5 billion last year. The merger is expected to be completed in October or November. Aviall will become an operating division of Ryder's Business Service Group, reporting to David R. Parker, senior executive vice president and chief operating officer of the group.

FTHENAKIS REPLACES UHL AS FAIRCHILD CHIEF EXECUTIVE OFFICER

Board of directors of Fairchild Industries, less than a week after the company reported a six-month net loss of more than $90 million, last Wednesday elected Emanuel Fthenakis to replace Edward G. Uhl as chief executive officer of the company. Uhl, 67, will continue to serve as chairman of the board. Fthenakis, who is also a member of the board, was elected president and chief operating officer of Fairchild in May and he will retain those titles in addition to being CEO. Uhl joined Fairchild in 1961 as president and has been CEO of Fairchild since that time. Fthenakis, a native of Greece and a naturalized U.S. citizen, joined Fairchild in 1972.

In announcing heavy losses last week *(BA, Aug. 19/57),* Fairchild said it was taking a number of steps to improve its financial position, including selling its interests in some subsidiary companies and attempting to recapture some $45 million in assets from certain employe pension plans. Asked if Fairchild had been pressured by its lenders to make the executive change, a spokesman replied that "this is something that has been in the works for some time," *(see other Fairchild articles on Pages 68-70).*

BATTLE FOR CONTROL OF VAN DUSEN CONTINUES; INITIAL RULING STAYED

The continuing battle for control of Van Dusen Air Inc. moved into its second phase last Thursday as a three-judge panel of the U.S. Court of Appeals granted a continued stay of an earlier legal ruling and kept the door open for opposing interests to acquire additional stock in the Minneapolis-based company.

APL, a group affiliated with the New York investment firm of Miller Tabak Hirsch, began buying Van Dusen stock in June and now holds 19.7 percent of the company's outstanding shares *(BA, Aug. 12/49).* An anti-takeover statute in Minnesota, the Minnesota Control Share Acquisition Act, prohibits anyone from

(Continued on the following page)

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STATUS OF AIRPORT & AIRWAY TRUST FUND
20X8103
JUNE 30, 1985

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 7,076,150,893.01	$ 6,440,835,770.41
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	7,539,000.00	53,290,299.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	225,000.00	2,024,000.00
2. Non-commercial 9 cents tax	1,819,000.00	16,639,384.00
3. Non-commercial 3 cents tax	606,000.00	5,093,128.00
4. Transp by air,seats,berths,etc.	225,950,000.00	1,814,143,730.00
Use of international trav fac	7,740,000.00	63,349,424.00
Transp of property and cargo	15,666,000.00	113,415,089.00
Total Tax Receipts	259,545,000.00	2,067,955,054.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	10,657.00
2. Any liquid fuel except gas	0.00	3,385,202.00
3. Gasoline -Retailer's tax	145,000.00	581,777.00
4. Gasoline -Manufac. tax	0.00	2,035.00
Total Reimburse For Tax Refunds	145,000.00	3,979,671.00
Net Tax Receipts	259,400,000.00	2,063,975,383.00
C. Interest on Investments	383,149,024.03	741,920,809.97
Net Receipts	642,549,024.03	2,805,896,192.97
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	79,467,830.00	642,750,381.38
2. Grants-in-aid for airports	42,194,245.37	555,119,413.92
3. Facilities & equipment	32,944,164.76	302,749,834.68
4. Research engineering & development	14,470,130.19	182,981,185.68
B. NOAA weather services	6,750,000.00	20,250,000.00
C. Interest on Refund of Taxes	0.00	7,601.00
Total Expenditures	175,826,370.32	1,703,858,416.66
IV. BALANCE - END OF PERIOD	7,542,873,546.72	7,542,873,546.72

June 30, 1985

STATEMENT OF FINANCIAL CONDITION

ASSETS :		
Undisbursed Balances:		
Airport & Airway Trust Fund	$ 975.85	
Operations	78,872,618.62	
Grants-in-aid for Airports	2,830,509.29	
cilities & Equipment	7,231,675.02	
esearch Engineering & Development	515,767.94	
NOAA weather services	0.00	
		$ 89,451,546.72
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
10-3/4% maturing June 30, 1986	$ 7,453,422,000.00	
		7,453,422,000.00
Total Assets		7,542,873,546.72
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 7,542,873,546.72
Total Liabilities and Equity		7,542,873,546.72